

Glenorchy Market Update

1st Half 2024



OVERVIEW

In Q4 2023, Glenorchy* recorded a median house price of \$582,000, and a median unit price of \$445,000. This represents annual (Q4 2022 – Q4 2023) median price softening of -2.2% for houses and -5.3% for units. Total sales also decreased during this time, by -2.1% (to 139 sales) for houses and by -42.4% (to 38 units) for units. Current market conditions are reflective of cash rate hikes and lower consumer confidence, which has created a more affordable market for first home buyers. Now is an ideal time for buyers to act, especially with no new residential projects planned in 2024 – thus the possibility of a market recovery is high.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↑
HOUSE MEDIAN PRICE	↓	↓
HOUSE RENTAL PRICE	↑	↓

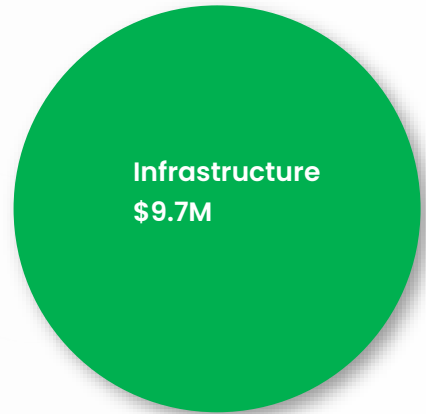


UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↓	↓
UNIT RENTAL PRICE	↑	↓



FUTURE DEVELOPMENTS

Glenorchy is set to see approximately **\$9.7M worth of new projects commencing in the 1st half of 2024.**



A key focus on infrastructure projects will improve liveability for current residents, whilst creating jobs in the construction phase. This can make Glenorchy a more attractive to live in, which will have a spill-over impact on the real estate market, in the form of higher demand for housing.

The largest development in the 1st half of 2024 is the Claremont Link Road Landslip Stabilisation (\$5.0M) infrastructure project. The project will bring about an improvement in the safety and transportation in the area, which improves liveability for current and future residents.

Another key infrastructure project is the Mountain Bike Trail Renewal Works (\$1.5M), which will benefit bike enthusiasts in the area and improve lifestyle choices.

There are no residential projects in this timeframe, which is a concern for the area. Without new stand-alone stock the pressure on prices will continue, thus the current softer market is potentially only temporary.



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023



\$582K

SALES



\$445K

AVERAGE DAYS
ON MARKET Q4 2023



HOUSE



UNIT

MEDIAN PRICE
Q4 2023



\$500

RENTALS



\$440

AVERAGE DAYS
ON MARKET Q4 2023



HOUSE



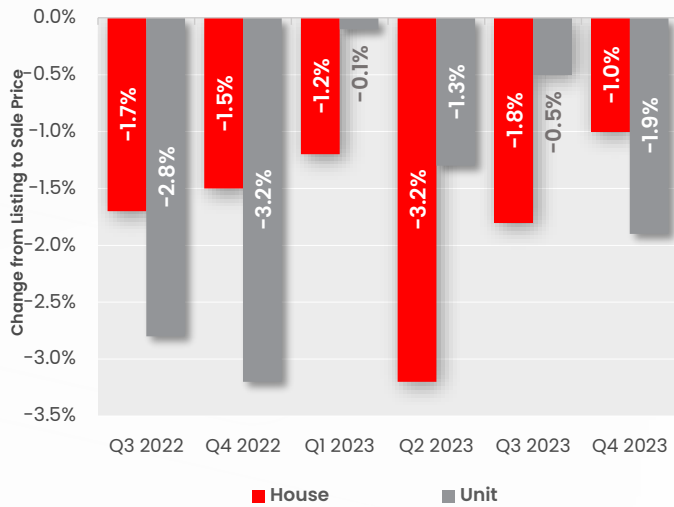
UNIT



AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

Average vendor discounts between Q4 2022 and Q4 2023 have tightened for both houses and units, to a discount of -1.0% and -1.9% respectively. The market for both houses and units have continued to favour buyers, as sellers are willing to accept below the initial listing price. That said there is a tighter average house vendor discount than 6 months prior, thus house buyers need to act fast.

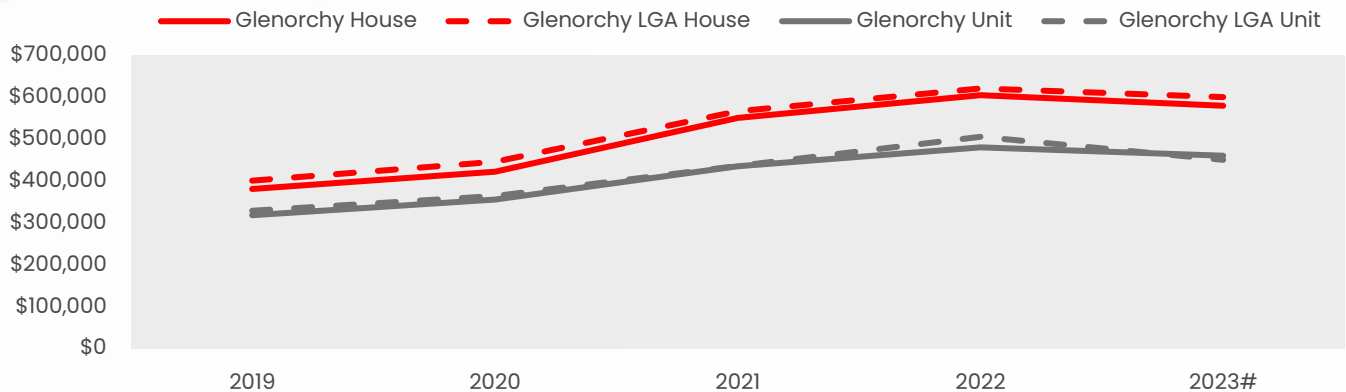


The suburb of Glenorchy has historically trended similarly to the wider Glenorchy Local Government Area (LGA) in both house and unit median prices. 2023# has seen this trend continue, with median prices in both areas seeing a slight softening in the past 12 months.

The dominant proportion of homes sold in Glenorchy* across 2023# were in the more affordable price bracket between \$550,000 and \$649,999 (36.4%). Most of the units sold were in the middle-price bracket of \$400,000 and \$499,999 (38.0%). Overall, this reveals there is affordably priced stock available, for both houses and units, in good news for buyers. The upper and premium price brackets are growing, however at a much slower rate.



MARKET COMPARISON

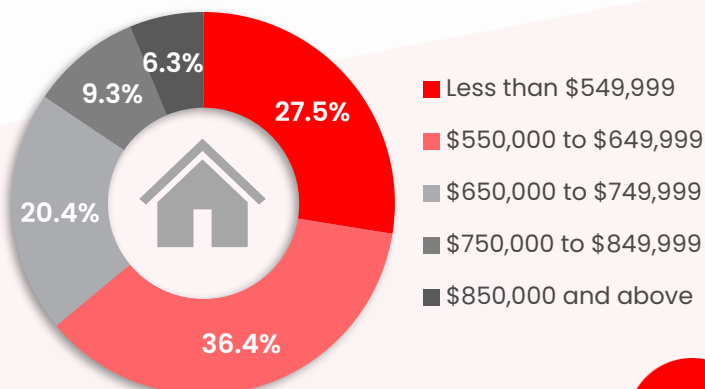


The market comparison graph provide a comparative trend for median price of houses and vacant land over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Glenorchy.

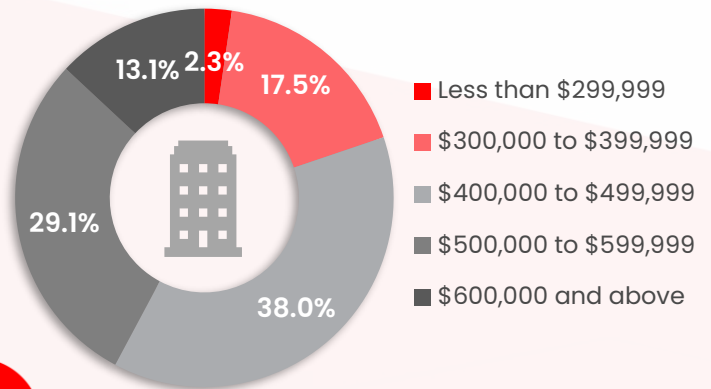


PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2023€

House rental yields in Glenorchy[‡] was 4.8% as of December 2023, higher than Hobart Metro (3.5%). The number of houses and units rented has increased significantly in the past 12 months, by 18.8% for houses and 30.3% for units. During this time median rental prices have only softened slightly, by less than -3.0%, thus suggesting a resilient market in Glenorchy[‡].

4+ bedroom houses have provided investors with stable rental growth annually, achieving a median rent of \$600 per week.

Glenorchy[‡] recorded a vacancy rate of 0.4% in December 2023, well below Hobart Metro's 1.1% average. Vacancy rates in Glenorchy[‡] have fluctuated in the past 12 months, due to investors entering the market in late 2021-2022 to take advantage of a tight rental market and exiting 2023 as higher cash rates detracted from financial viability. A 0.4% vacancy rate is significantly below the Real Estate Institute of Australia's 'Healthy' Benchmark of 3.0%, thus quicker occupancy of rental properties. This remains beneficial for investors.

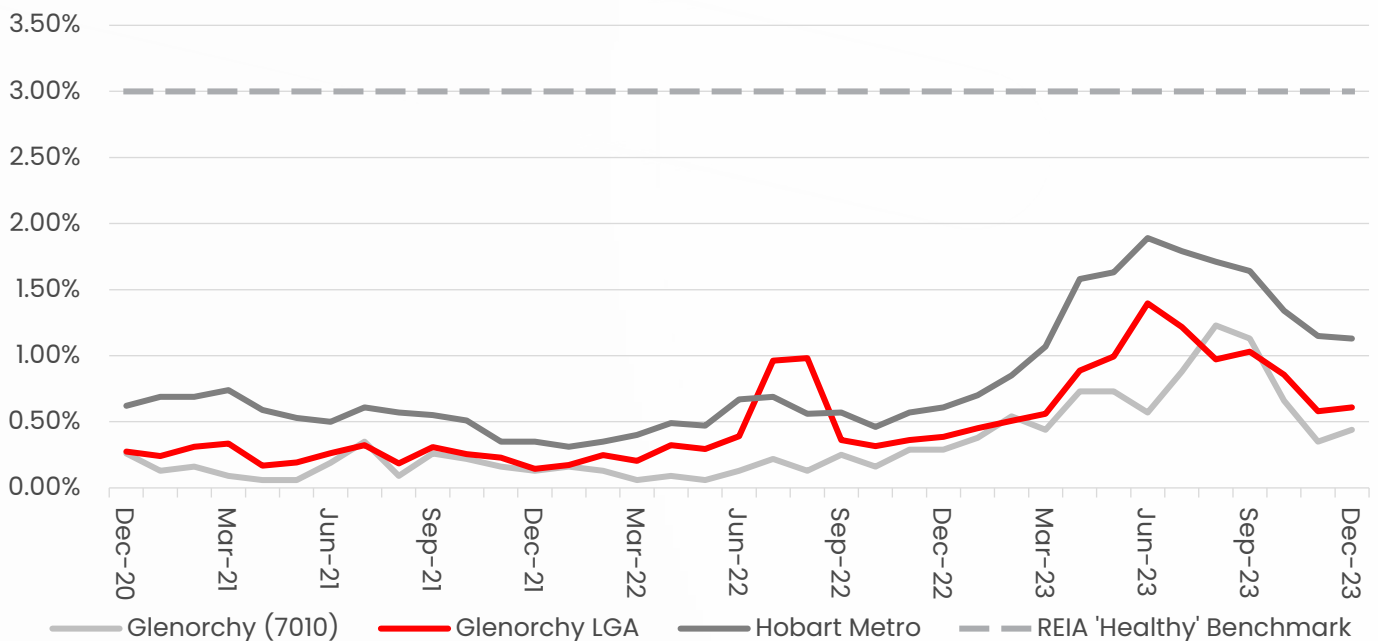
2 BEDROOMS
+0.0%

3 BEDROOMS
-2.0%

4 BEDROOMS
+0.0%



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§

4.8%
Glenorchy (7010)[‡]

4.4%
Glenorchy LGA

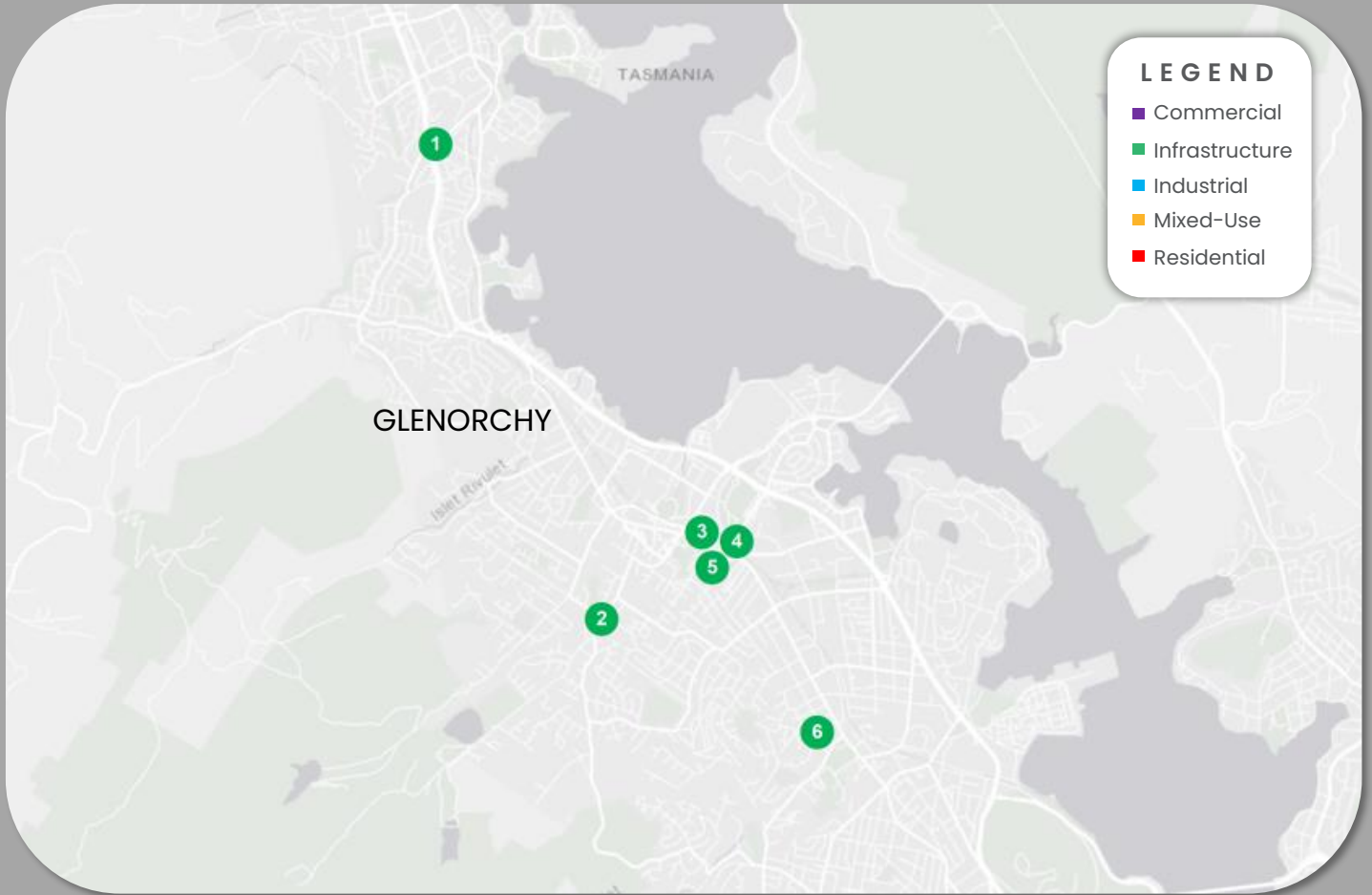
3.5%
Hobart Metro

5.4%
Glenorchy (7010)[‡]

5.1%
Glenorchy LGA

4.6%
Hobart Metro

PROJECT DEVELOPMENT 1st HALF MAP 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Claremont Link Road Landslip Stabilisation	Infrastructure	\$5,000,000	22/04/2024
2	Mountain Bike Trail Renewal Works (Glenorchy Mountain)	Infrastructure	\$1,500,000	01/05/2024
3	Glenorchy Police Station Office Accommodation Fitout	Infrastructure	\$1,000,000	12/04/2024
4	951 Main Road Roadworks Kerb Channel & Footpath	Infrastructure	\$800,000	14/05/2024
5	Cosgrove High School Fibre Backbone Cabling	Infrastructure	\$750,000	25/04/2024
6	Kelvin Avenue Road Roadworks Reconstruction	Infrastructure	\$650,000	15/05/2024

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RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products, and include:

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- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project analysis including product and pricing recommendations
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REFERENCES

* Glenorchy sales market data and key indicators encapsulates aggregate property market conditions within the suburbs of Glenorchy Local Government Area (LGA).

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2023 encapsulates sales transactions for all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

¥ Glenorchy rental market data encapsulates aggregate property conditions within the Glenorchy LGA.

§ Rental yields shown are as reported as of December 2023.

A Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburbs of Glenorchy LGA.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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